

LAW OFFICES

GULLETT, SANFORD, ROBINSON & MARTIN, PLLC

230 FOURTH AVENUE, NORTH, 3RD FLOOR
POST OFFICE BOX 198888
NASHVILLE, TENNESSEE 37219-8888

TELEPHONE (615) 244-4994

FACSIMILE (615) 256-6339

WWW.GSRM.NET

GARETH S. ADEN
LAWRENCE R. AHERN III
G. RHEA BUCY
CHRISTOPHER W. CARDWELL
GEORGE V. CRAWFORD, JR.
GEORGE V. CRAWFORD III
A. SCOTT DERRICK
THOMAS H. FORRESTER
MARY TAYLOR GALLAGHER
MARCY S. HARDEE
M. TAYLOR HARRIS, JR.
DAN HASKELL
ANDRA J. HEDRICK
DAVID W. HOUSTON IV
LINDA W. KNIGHT

JOEL M. LEEMAN
ALLEN D. LENTZ
JOSEPH MARTIN, JR.
JEFFREY MOBLEY
WM. ROBERT POPE, JR.
WAYNE L. ROBBINS, JR.
JACK W. ROBINSON, JR.
JACK W. ROBINSON, SR.
WESLEY D. TURNER
PHILLIP P. WELTY
JOHN D. LENTZ
OF COUNSEL
B. B. GULLETT
1905-1992
VALERIUS SANFORD
1923-2001

January 22, 2002

David Waddell
Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243

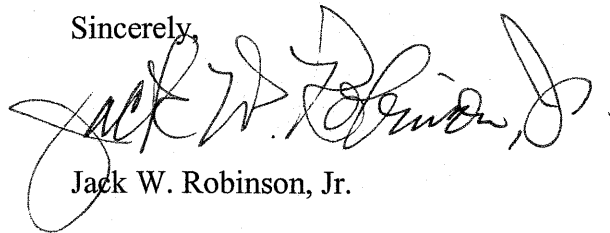
Re: *Complaint of XO Tennessee, Inc. Against AT&T Communications of the South
Central States and AT&T Corporation*
Docket No: 01-01072

Dear Mr. Waddell:

Enclosed for filing are the original and thirteen copies of the Answer of AT&T Communications of the South Central States, Inc. and Motion to Dismiss AT&T Corp.

Copies are being served on all known parties of record.

Sincerely,



Jack W. Robinson, Jr.

JWRjr/ghc
Enclosures

cc: Henry Walker, Esq.
Dana Shaffer, Esq.
Gene V. Coker, Esq.

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

In The Matter of:

Complaint of XO Tennessee, Inc. Against)	
AT&T Communications of the South)	Docket No. 01-01072
Central States, LLC and AT&T Corp.)	

ANSWER OF AT&T AND MOTION TO DISMISS AT&T CORP.

AT&T Communications of the South Central States, LLC¹ (AT&T) and AT&T Corp. (collectively, the Defendants), pursuant to the applicable rules of the Tennessee Regulatory Authority (TRA or the Authority), hereby submit the following Answer and Motion to Dismiss the Complaint filed by XO Tennessee, Inc. (XO) in the above-captioned matter. The Complaint filed by XO is against "AT&T Communications of the South Central States" and "AT&T Corporation", both of which are improper names for the defendant corporations. Notwithstanding this error on the part of XO, defendants will respond to the Complaint as if the proper names were given. The Complaint has been organized into five (5) sections, The Parties, Jurisdiction, The Facts, Counts and Relief Requested with numbered paragraphs under each section beginning with the number one (1). The Answer will correspond to the structural organization of the Complaint.

Defendants contend that the TRA lacks personal jurisdiction over AT&T Corp. To the extent, and only to the extent, the Authority finds that it has personal jurisdiction over AT&T Corp., defendants answer the specific allegations of XO's Complaint as set forth below. To the extent the Authority determines that it lacks personal jurisdiction

¹ Formerly known as AT&T Communications of the South Central States, Inc.

over AT&T Corp., the following responses are made on behalf of AT&T Communications of the Southern States, LLC only.

ANSWER

THE PARTIES

1. Defendants admit XO possesses the capabilities to provide telecommunications services, including switched access services to interexchange carriers and that XO Communications, Inc. is XO's parent. Defendants otherwise lack sufficient knowledge of the other matters set forth in paragraph 1 of this section of the Complaint, and therefore, deny remaining allegations therein.

2. Defendants admit paragraph 2 of this section of the Complaint.

3. Defendants accept the representation contained in paragraph 3 of this section of the Complaint.

4. Defendants deny the allegations in the first sentence of paragraph 4 to the extent they imply that AT&T Corp. provides services in the State of Tennessee subject to the jurisdiction of the TRA. Defendants otherwise admit the remaining allegations of paragraph 4 of this section of the Complaint.

JURISDICTION

1. Defendants admit that Tennessee Code Annotated, § 65-4-104 provides the TRA "has general supervisory and regulatory power, jurisdiction, and control over all public utilities"; that § 65-4-106 provides that "any doubt as to the existence or extent of a power conferred on the authority by this chapter or chapters 1, 3 and 5 of this title shall be resolved in favor of the existence of the power"; that § 65-4-117 gives the Authority to

“investigate, upon its own initiative or upon complaint in writing, any matter concerning any public utility”; and that § 65-1-213 provides that “it is the duty of the Authority to ensure that the provisions of all laws of this state over which they have jurisdiction are enforced and obeyed”. Defendants deny the remainder of the allegations of the paragraph and specifically deny that the TRA has jurisdiction over AT&T Corp.

THE FACTS

1. Defendants admit that XO’s tariffs contain the rates, terms and conditions under which XO offers originating and terminating access service and 800 database service. Defendants deny the remainder of paragraph 1 of this section of the Complaint.

2. Defendants deny paragraph 2 of this section of the Complaint.

3. Defendants admit that XO billed AT&T for intrastate switched access services and that AT&T remitted payment to XO for certain of those bills. Defendants otherwise deny the remaining allegations in paragraph 3 of this section of the Complaint.

4. Defendants admit that XO has submitted invoices to AT&T and that certain of those invoices have not been paid because XO is not entitled to payment. Defendants otherwise deny the remaining allegations in paragraph 4 of this section of the Complaint.

COUNTS

1. Defendants deny the allegations in paragraph 1 of this section of the Complaint.

2. Defendants state that the allegations in paragraph 2 of this section of the Complaint constitute legal conclusions and require no answer or response. Except as admitted, Defendants deny the allegations in paragraph 2 of this section of the Complaint.

3. Defendants deny the allegations in paragraph 3 of this section of the Complaint.

4. Defendants state that the allegations in paragraph 4 of this section of the Complaint constitute legal conclusions and require no answer or response. Defendants admit the accuracy of the quoted statute, but deny the remaining allegations in paragraph 4.

FIRST AFFIRMATIVE DEFENSE

The Tennessee Regulatory Authority lacks personal jurisdiction over AT&T Corp.

SECOND AFFIRMATIVE DEFENSE

XO's Complaint fails to state a cause of action upon which relief can be granted.

THIRD AFFIRMATIVE DEFENSE

XO's intrastate access rates are excessive, unjust and unreasonable and are, therefore, unlawful.

FOURTH AFFIRMATIVE DEFENSE

XO's claims are barred by the doctrines of waiver, laches and estoppel.

FIFTH AFFIRMATIVE DEFENSE

XO's claims are barred by the applicable statutes of limitation.

SIXTH AFFIRMATIVE DEFENSE

XO has failed to mitigate damages.

MOTION TO DISMISS

Pursuant to TRA Rule 1220-1-2-.03 (2) and (3), Defendants hereby move the Authority to dismiss AT&T Corp. from this proceeding with prejudice for lack of jurisdiction over the person. In support of their motion, defendants show the following:

1. AT&T Corp. is the parent company of AT&T Communications of the South Central States, LLC. AT&T Corp. does not provide intrastate telecommunications services in the state of Tennessee. All of the AT&T intrastate telecommunications facilities are owned and operated, and all of the AT&T intrastate telecommunications services are provided by AT&T Communications of the South Central States, LLC. AT&T Corp. does not possess, nor is it required to possess, a certificate of public convenience and necessity from the Authority.

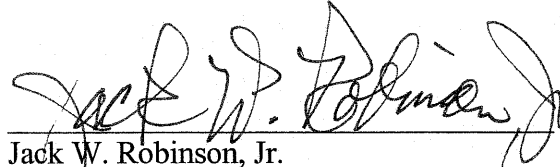
2. The jurisdiction of the Tennessee Regulatory Authority extends to companies classified a “public utilities” as defined in T.C.A. § 65-4-101. That section of the Code provides:

“Public utility” includes every...corporation...that own[s], operate[s], manage[s] or control[s], *within the state*, any ...telephone, telegraph, telecommunications services, or any other like system, plant or equipment, affected by and dedicated to the public use, under privileges, franchises, licenses, or agreements, granted by the state or by any political subdivision thereof... (Emphasis added).

3. Because AT&T Corp. does not own, operate, manage or control telecommunications facilities or services for the purpose of providing intrastate services, it does not qualify as a “public utility” as defined by Tennessee law and, therefore, the TRA lacks jurisdiction over AT&T Corp.

WHEREFORE, based on the foregoing reasons, defendants request the TRA to enter an order dismissing AT&T Corp. from this proceeding with prejudice.

Respectfully submitted this 22nd day of January 2002,



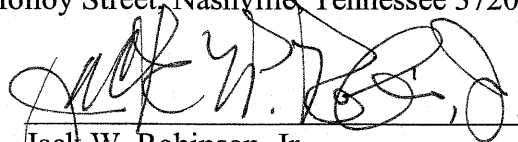
Jack W. Robinson, Jr.
GULLETT, SANFORD, ROBINSON &
MARTIN, PLLC
230 Fourth Avenue North, 3rd Floor
P.O. Box 198888
Nashville, TN 37219-8888
(615) 244-4994

Gene V. Coker
P.O. Box 681841
Marietta, Georgia 30068
(770) 984-0169

Attorneys for AT&T Corp. and
AT&T Communications of the South Central
States, LLC

CERTIFICATE OF SERVICE

I, Jack W. Robinson, Jr., hereby certify that I have on this 22nd day of January 2002 served via Hand-Delivery or first class mail, a copy of the foregoing Answer and Motion to Dismiss of AT&T Communications of the South Central States, LLC and AT&T Corp. on Henry Walker, Boulton, Cummings, Connors & Berry, 414 Union Street, Suite 1600, Nashville, Tennessee 37219 and Dana Shaffer, Vice President and Regional Regulatory Counsel, XO Tennessee, 105 Molloy Street, Nashville, Tennessee 37201.



Jack W. Robinson, Jr.